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SUBJECT: PREPARING FOR ECUADORIAN ELECTIONS OCTOBER 17--REQUEST FOR USG SUPPORT FOR OAS MISSION

REF: A. QUITO 2251

[B](#). QUITO 2076

[1](#)1. (SBU) Summary: Ecuador's upcoming local elections are an indirect test of the Gutierrez Administration's strength (it is widely expected to fail that test) and, more importantly, an opportunity for Ecuadorian voters to renew their faith in the democratic process. President Gutierrez' Patriotic Society Party (PSP) is expected to suffer a humiliating defeat to opposition incumbents in key races. Although there are few hints or recent history of fraud in local elections, a political crisis is developing over the President's flirtation with the opposition Ecuadorian Roldosista Party (PRE) of disgraced ex-President Abdala Bucaram. A clean election likely will increase the longstanding disparity between public confidence in local versus national political leaders, as re-elected incumbents enjoy greater public trust than the President. It could also help renew confidence in democracy, if only at the local level. Given the importance to political stability of clean elections, Embassy recommends USG support for an OAS monitoring effort, which we hope to join on election day.

What is at Stake?

[1](#)2. (SBU) AID democratic values surveys consistently show voter confidence in politicians and democratic institutions to be higher at the local than national level. Mayors of larger cities currently enjoy high approval ratings as a result of concerted emphasis on infrastructure improvements. Quito Mayor Paco Moncayo recently told PolOffs that major city mayors from a variety of opposition parties have been meeting to share lessons learned, and comprise a new municipal movement of competent, proven leaders. With confidence in the Gutierrez government nearing single digits, the opportunity to re-elect popular opposition mayors and provincial prefects on October 17 could help reinforce public confidence in electoral politics, indirectly benefiting the embattled national government. However, to have this effect, the elections must be generally perceived as clean and well-run.

[1](#)3. (SBU) President Gutierrez' PSP has been marginalized at the national level since the departure of its broad-based coalition; it now has only five of 100 Congressional deputies and no mayors. The PSP will lose its national registry if it fails to win more than 5% of the national vote for the second straight time, as expected. (Note: on its own, the party failed to win more than 5% of the vote in 2002, despite Gutierrez victory of the presidency with the support of several allied parties. The PSP currently holds no mayorships, since the party was formed after the last municipal elections in 2000.) Nevertheless, President Gutierrez has been actively visiting (and distributing public largesse in) areas in the Amazon region and selectively in some Sierra districts where the PSP hopes to gain in these elections.

[1](#)4. (SBU) The key races among the 219 municipal and 22 prefectural posts (U.S.-governor-equivalents) up for election on October 17 are for the Guayaquil and Quito mayorships and the prefect races in Guayas and Pichincha provinces. In both cases, the mayoral incumbents (Jaime Nebot of the Social Christian Party (PSC) and Moncayo for the Democratic Left Party (ID), respectively) are expected to win handily (Nebot has the highest popularity ratings of any politician in the country); their prefectural counterparts are also favored to win by lesser margins over non-incumbent challengers. There is another reason to pay special attention to the race in Guayas province: there were unsubstantiated allegations of fraud by challengers in the 2000 election of Nebot and PSC Guayas prefect Nicolas Lapentti. The Manta mayor race is also of interest for its potential impact on the Manta FOB.

Election Preparations Underway

[1](#)5. (SBU) OAS Representative Dr. Cesar Ocampo told PolCouns on August 24 that the GoE ratified a formal request from the Supreme Electoral Tribunal (TSE) requesting the OAS to send an observation mission for the municipal elections. Although the OAS has not made a decision, Ocampo believed that it

would be positive and that the bulk of the mission would be comprised of accredited staff and diplomat volunteers in Ecuador. He characterized Ecuadorian electoral authorities as "politicized but competent" and said expectations of electoral fraud are low for election day. Ocampo said he had offered his own good offices to help resolve lingering controversies over campaign financing and allocation of municipal council seats (RefTels), as he had in the past to promote indigenous representation.

16. (SBU) The elections will be administered by the Supreme Electoral Tribunal (TSE), which is comprised of seven members representing some of the major political parties in Congress. Seven alternates are appointed on the same basis. The TSE appoints provincial electoral tribunals in each of the 22 provinces, which in turn appoint municipal level tribunals. The political parties are represented at each level. TSE President Nicanor Moscoso, himself the former campaign manager of the National Institutional Action Renewal Party (PRIAN) confirmed to PolCouns on August 31 that the GoE has invited the OAS to observe the upcoming elections. He downplayed concerns about possible fraud in the Guayas prefect race, saying the issues raised during the last election have been dealt with through subsequent reforms. He said the TSE had contracted a credible Spanish firm to manage the vote count, a small sample of which will be tallied electronically.

17. (SBU) What concerned the TSE president more was resistance on the part of the PSC and the ID parties to needed increases in official campaign finance limits. By blocking Congressional action to raise the limits, these two parties have maintained hypocritically low limits for election expenses (\$600,000 for all prefect and municipal races, combined, including highs of \$44,000 and \$40,000 for the Guayaquil and Quito mayor races, respectively). The motive for the resistance of these two parties to higher spending limits is self-serving, according to Moscoso. Both presume they can effectively block any effort to investigate their own spending due to their preponderant weight within the TSE's deliberative structure. Smaller parties do not enjoy that assurance and will be vulnerable to future investigation for overspending.

18. (SBU) Another issue of concern to Moscoso is the system to proportionally allocate municipal council seats among parties. In this, he said, the TSE has the power to act Congress does not. Moscoso said he was consulting with the parties and intended to announce the system later this month.

USG Assistance -----

19. (U) AID is providing \$800,000 in election-related support, roughly divided between support to the TSE administered through the Center for Electoral Promotion and Assistance (CAPEL) and the other half to NGOs for civil society oversight of the elections. The latter includes a civic education campaign, electoral reforms, efforts to monitor campaign spending, domestic observation of the elections and an independent quick count. Funding is being provided to NGOs for election dialogues and candidate fora. AID is coordinating election support efforts with other Embassy elements and with other donors, including the OAS, UNDP, German aid agency (GTZ) and the EU.

110. (U) Should an OAS mission be mounted, the Embassy will volunteer a core group of officers to participate in the monitoring effort. We will also conduct and report on pre-electoral visits to key districts to report on specific races.

Comment -----

111. (SBU) Given the potential for these municipal elections to affect political stability and confidence in democracy, we believe close international observation is justified. The obvious institution to boost electoral certainty and confidence on election day is the OAS. We therefore request USG support for an OAS monitoring mission.
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